



AIRPORTS COMPANY SOUTH AFRICA

Run Airports | Develop Airports | Grow Footprint

RESULTS PRESENTATION
FOR THE YEAR ENDED 31 MARCH 2019



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2019

→ HIGHLIGHTS



- **Sound financial performance** though impacted by lower than expected traffic volumes and non-aeronautical flows
- Enhanced airport **service quality** levels
- Building **mutually beneficial** stakeholder relationships which improved our reputation index
- Expanding **technical and advisory services** into Africa – Ghana, Liberia, Zambia, Rwanda and South Africa (non-Airports Company South Africa airports)
- Established **strategic partnership** with Thailand Airport Authority
- Five of our airports recognised for **managing and reducing carbon emissions**
- Continue to strengthen our **supply chain management** governance and processes







Vision 2025

To be the most sought-after partner in the world for the provision of sustainable airport management solutions by 2025

Horizon 1

By 2020:

Extend and defend our business

Horizon 2

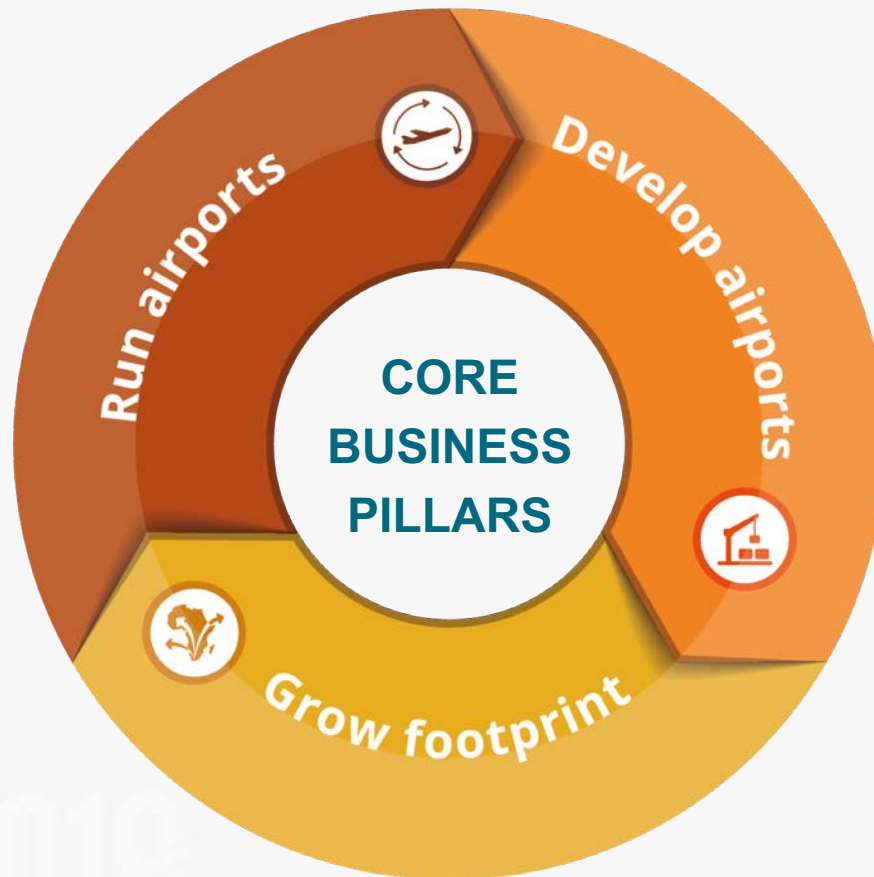
By 2025:

Build emerging businesses and drive medium-term growth

Horizon 3

Beyond 2025:

Create viable options to ensure the company's success in future



By running our airports **efficiently** and developing them **innovatively**, we will **enhance** the regional economy.



Improving our capacity and infrastructure **grows** our footprint through **effective** operation and partnerships.



A larger footprint provides more **impactful outcomes** for the **country** and the **world**.



Sustainability Framework



Our environment

- Minimise environmental impact and strive to be carbon neutral



Our business

- Enhance our reputation
- Improve passenger experience
- Increase shareholder value
- Contribute to airport traffic and diversify our business



Our people and society

- Contribute more to black economic empowerment
- Improve airport connectivity to the regions we serve
- Diversify our workforce and create a positive environment for our employees

2019

→ TRANSFORMATION



2019



WHAT ARE WE DOING TODAY TO ENSURE THE LEGACY OF TOMORROW?



**We contributed
R7.6 billion to
SA's economy
in FY2017/18**



**We supported
15 223
SA jobs
in FY2017/18***



**We supported
R2.9 billion
of income
to workers in SA
in FY2017/18**

* **We supported 15,223 jobs in South Africa.** This comprises of 2,881 direct employees (not including contractors), 5,597 indirect jobs through supply chain spending and 6,745 induced jobs supported through spending of the Company's employees and supply chain employees. The figure does not include enabled jobs such as those of restaurants and other retail outlets doing business within the airports.

Source: Airports Company South Africa Economic Impact Study FY2017/18

→ OPERATING ENVIRONMENT



→ OUR FOOTPRINT



Airport technical, advisory and consultancy services



GHANA

We perform technical advisory and consultancy services at Kotoka International Airport in Accra.



LIBERIA

We provide consultancy services and are preparing the new terminal building and associated infrastructure for operations, on behalf of the Liberian Airports Authority.



ZAMBIA

We provide consultancy services for operational readiness and managed a transfer for the new terminal building at Kenneth Kaunda International Airport in Lusaka.



RWANDA

As part of the technical team in partnership with Aurecon, we provide technical services to the Bugesera Airports Company at Bugesera International Airport in Kigali.



SOUTH AFRICA

At Oribi Airport, in Pietermaritzburg, we provide services inclusive of development of aerodrome manuals and identification of commercial and operational areas of improvement.

Airport management



SOUTH AFRICA

We manage and operate nine airports.



BRAZIL

Guarulhos International Airport in São Paulo is an equity investment.



INDIA

Chhatrapati Shivaji International Airport in Mumbai is an equity investment.



ECONOMIC OUTLOOK



GLOBAL ECONOMY

US, CHINA AND EUROPE

- Continued trade tensions between the US and China;
- Economic growth recovery in Euro area continues;
- The threat of Brexit.

BRAZIL AND INDIA

- GDP growth contracted due to weak growth in household consumption and fixed capital formation.
- The Indian economy slowed to a 5-year growth rate amid weaker consumer demand and fixed investment.

LOCAL ECONOMY

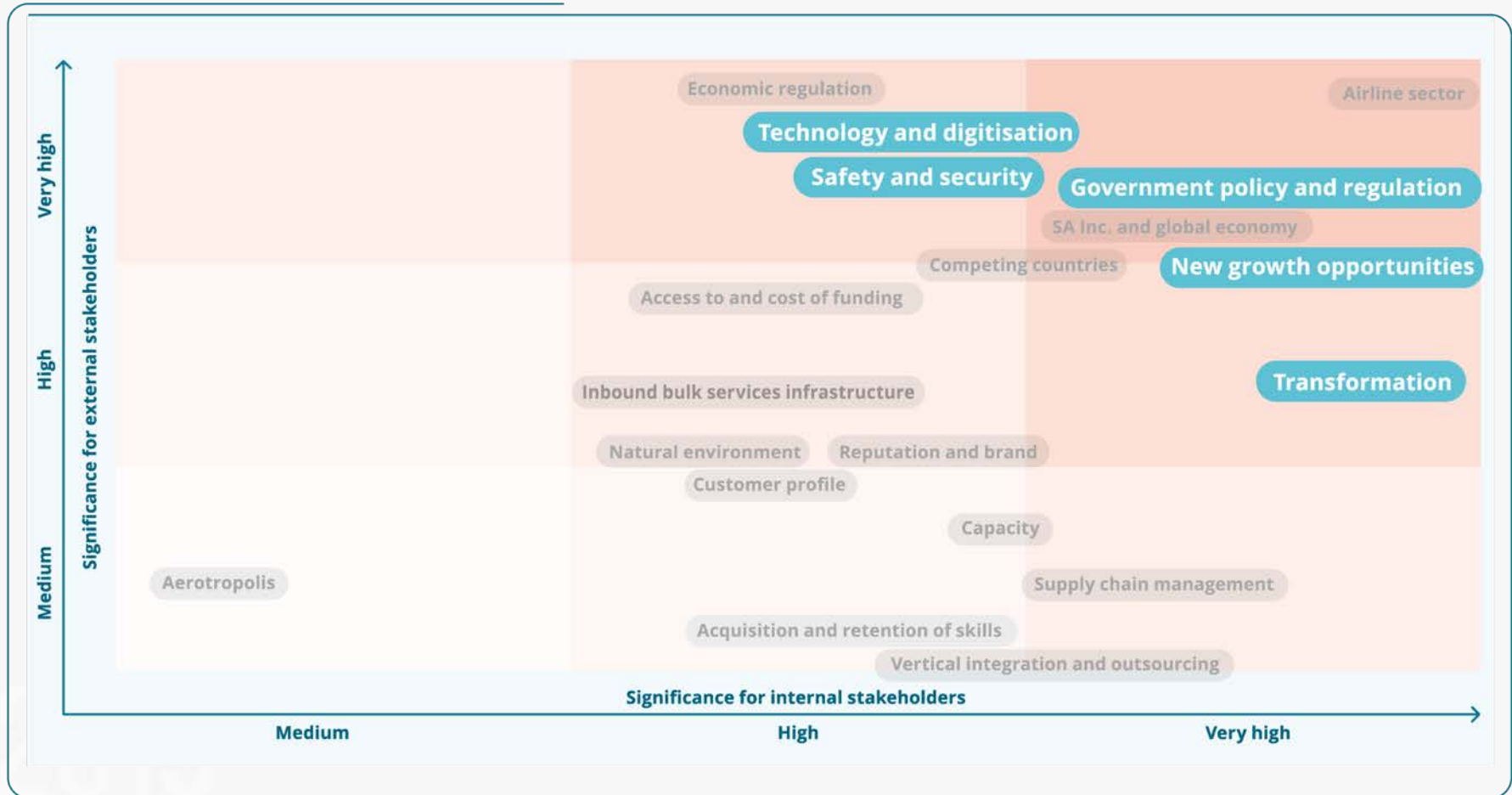
SOUTH AFRICA

- GDP growth contracted in the first quarter resulting in decline in household consumption and reduction in disposable income.

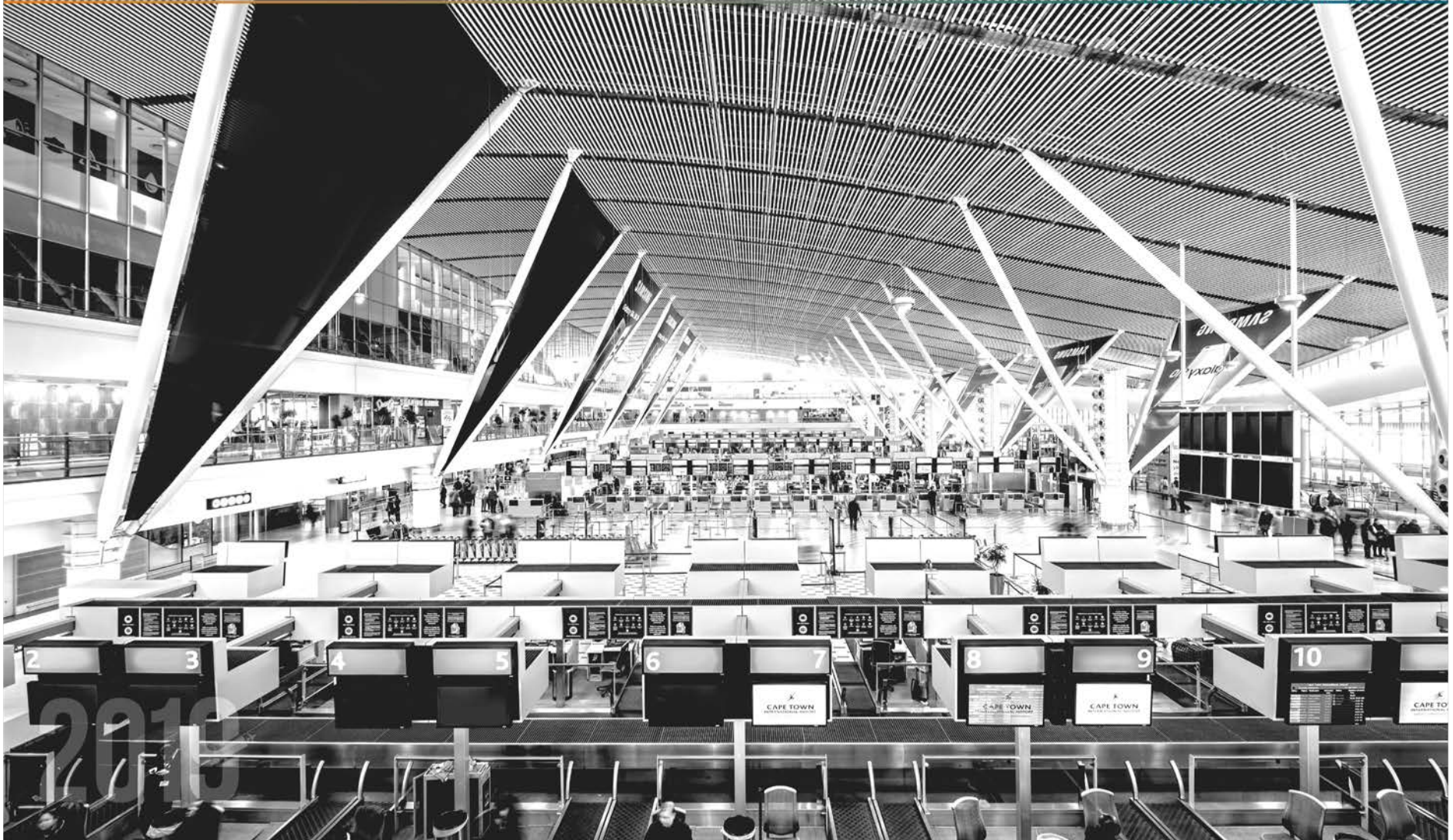
IMPACT ON ACSA

- Negative impact on growth in international and domestic traffic volumes
- Will potentially affect the **performance of the GRU** consortium and increase the risk of new funding
- **MIAL** concession remains profitable
- Increases **the risk of sovereign credit downgrade** which leads to downgrade of State-Owned companies including Airports Company South Africa.
- However, inflation is expected to remain within the target band which will go a long way in **containing operational cost** going forward.

→ MATERIAL MATTERS



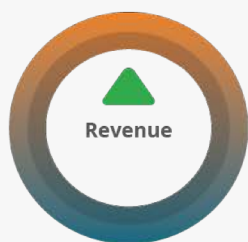
→ FINANCIAL PERFORMANCE



→ FINANCIAL PERFORMANCE



Financial Highlights



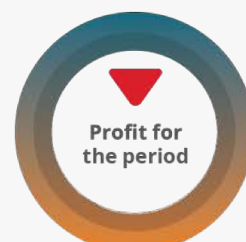
R7.1 billion

R6.7 billion
(FY2017/18)



R2.8 billion

R3.0 billion
(FY2017/18)



R227 million

R552 million
(FY2017/18)



1%

2.6%
(FY2017/18)



2019
MIAL

returned to profitability



R1.1 billion

R916 million
(FY2017/18)



R32 billion

R33 billion
(FY2017/18)



18%

25%
(FY2017/18)



Abridged Comprehensive Income Overview

			Movement
	FY2018/19	FY2017/18	%
Revenue and other operating income	7 143 261	6 764 471	5,6%
Employee costs	(1 636 774)	(1 401 840)	-16,8%
Operating expenses	(2 641 973)	(2 359 153)	-12%
EBITDA	2 864 514	3 003 478	-4,6%
Fair value (losses)/gains on investment properties	(134 222)	537 247	-125,0%
Depreciation, amortisation and impairments	(1 422 202)	(1 247 477)	-14%
Losses from equity-accounted investments	(97 782)	(476 499)	79,5%
Net finance expense	(595 789)	(589 007)	-1,2%
Losses on property and equipment	-	(6 857)	100,0%
Profit before tax	614 519	1 220 885	-49,7%
Tax expense	(387 746)	(668 463)	41,9%
Profit for the year	226 773	552 422	-58,9%

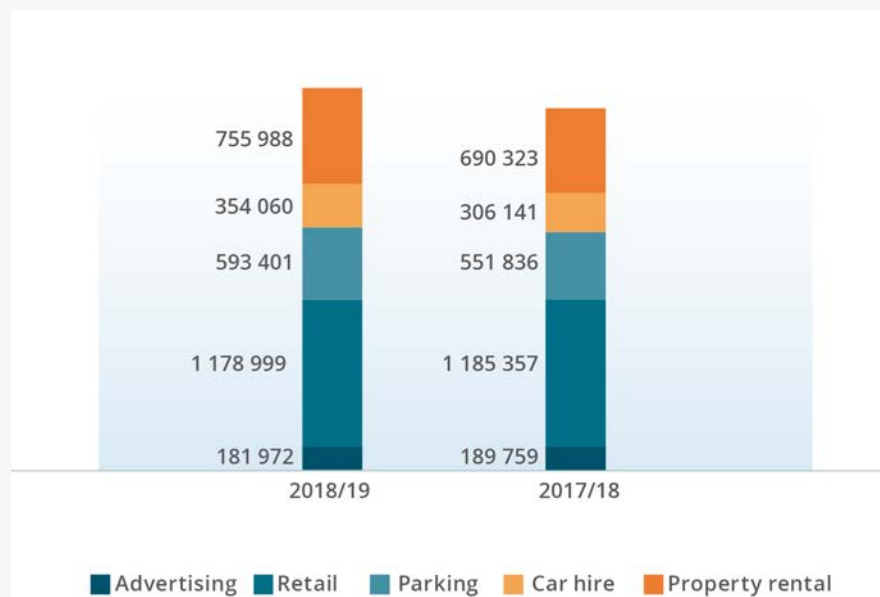


Revenue split

Aeronautical revenue (R'000)



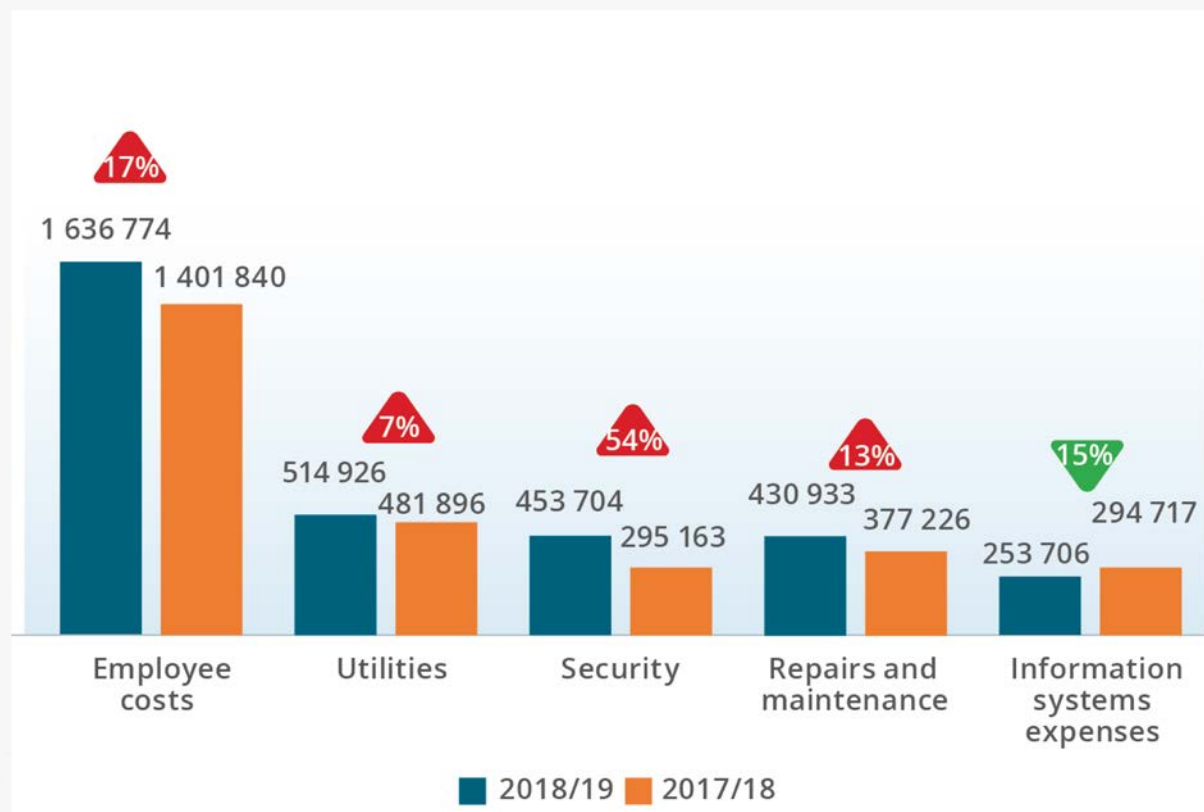
Non-aeronautical revenue (R'000)





Expenses

Top Five Expenses (R'000)





FINANCIAL PERFORMANCE



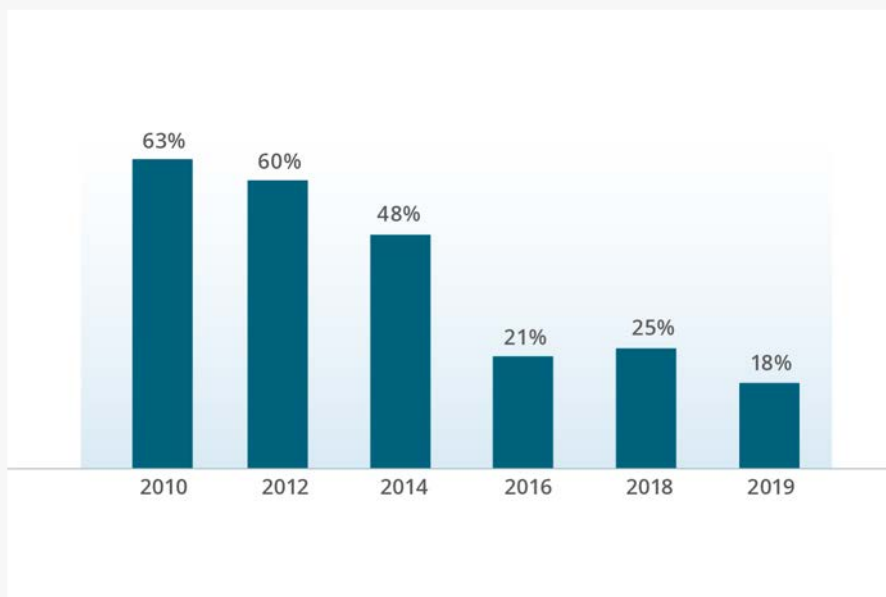
Abridged Financial Position Overview

	Movement	
	FY2018/19	FY2017/18 %
ASSETS		
Non-current assets	27 610 590	28 611 710 -3%
Current assets	3 151 454	4 669 431 -33%
Non-current assets held for sale	785 570	- 100%
Total assets	31 547 614	33 281 141 -5%
EQUITY AND LIABILITIES		
Equity	22 092 290	21 734 255 2%
Non-current liabilities	7 518 145	7 482 112 0%
Current liabilities	1 937 179	4 064 774 52%
Total liabilities	9 455 324	11 546 886 18%
Total equity and liabilities	31 547 614	33 281 141 5%



Debt Evolution and Gearing Ratio

Gearing ratio



Evolution of debt



Agency

Ratings

Airports Company South Africa ratings

Rating action

Long-term issuer rating (foreign)

Long-term issuer rating (domestic)

Outlook

Moody's

Affirmed

Baa3

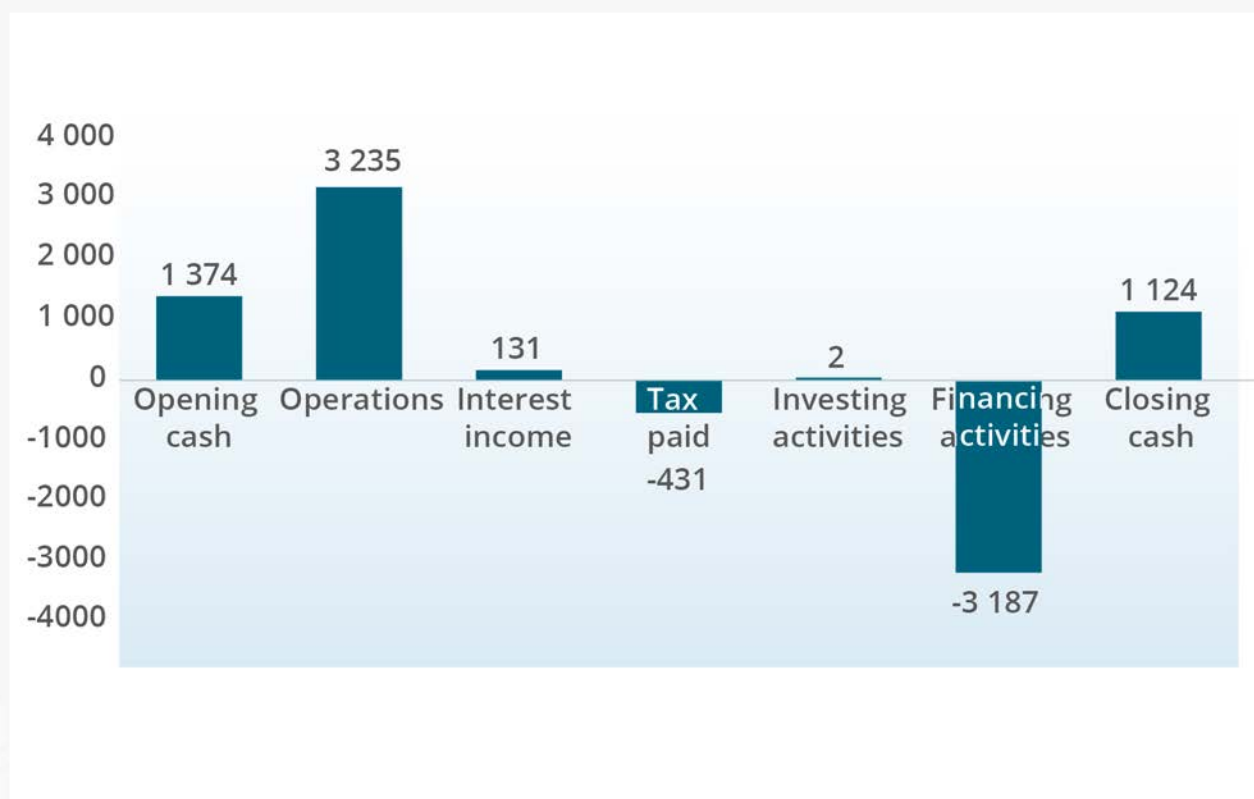
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Stable



Cash flow statement overview

Total cash decreased by R250 million



→ FORWARD LOOKING





We enter FY 2020 with ...

- A balance sheet that is in good shape;
- Confidence in our governance, operating model and capabilities;
- Global opportunities; and
- Our reputation.

2019

→ QUESTIONS AND ANSWERS



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